

BOARD LETTER – SUMMARY SHEET
HEALTH AND MENTAL HEALTH SERVICES CLUSTER

AGENDA REVIEW	5/6/15
BOARD MEETING	5/19/15
SUPERVISORIAL DISTRICT	1
DEPARTMENT	Mental Health
SUBJECT	Amend the Department of Mental Health's (DMH) Settlement Agreement with Plaza Community Center (Plaza)) to extend the term of the Settlement Agreement for seven years, from July 1, 2015, to June 30, 2022, to allow Plaza to continue to provide in-kind mental health services through new and additional mental health services focused on prevention and a revised Payment Plan, and, in the process repay the County the remaining outstanding balance of \$562,544 from the amount of \$959,656 owed by Plaza to the County.
PROGRAM	Department of Mental Health (DMH) Adult System of Care
DEADLINES	6/30/15
COST & FUNDING	The Settlement Agreement with Plaza will be extended by seven years from July 1, 2015 till June 30, 2022, which will enable Plaza to satisfy the outstanding financial obligation of \$562,544 to DMH through in-kind services. There is no net County cost impact associated with the recommended actions.
PURPOSE OF REQUEST	Board approval is required to amend the Agreement with Plaza to enable Plaza to continue to repay the balance of an outstanding debt, in the amount of \$562,544, through the provision of in-kind mental health services.
SUMMARY/ ISSUES (Briefly summarize program and potential issues or concerns. Identify changes, if any, to level of funding or staffing; how funding will be utilized and why best use; prior accomplishments; and for BLs involving contracts, also note changes to the contract term.)	<p>DMH has a Settlement Agreement with Plaza, which will expire on June 30, 2015, initially adopted by the Board on July 16, 2002, for the repayment of \$839,133 through in-kind services by June 30, 2009. Subsequently, on September 21, 2004, the Board approved an increase in the outstanding amount to \$959,656 and also extended the Settlement period by six years to June 30, 2015. This was the amount owed by Plaza to the County due to cash flow advances made to Plaza by DMH for Fiscal Years (FYs) 1998-99 and 1999-2000 based on then Plaza's Legal Entity Agreement provisions for those fiscal years. Plaza has so far repaid \$397,112 through in-kind mental health services, leaving an outstanding debt of \$562,544.</p> <p>While Plaza made a concerted effort to pay back their debt with the service of unpaid clinical interns, the existing Program and Payment Schedule was not sufficient to cover the administrative costs, and made it difficult for the agency to complete its obligation in the allotted time. Plaza has indicated its continued inability to repay the \$562,544 in cash and requested an extension of the repayment period by seven years to enable Plaza to repay the debt through new and innovative in-kind mental health services. As a result, DMH and the agency have agreed on revised in-kind mental health services which will have a very positive impact in the delivery of services in an underserved area of the County and also enable Plaza to repay the outstanding balance owed to the County</p>
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